



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Thailand

### Grain and Feed

### Update PSD Rice

**2004**

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**Report Highlights:**

MY 2003 rice exports are revised upward to 8.5 million metric tons, up considerably from the record 7.6 million ton of the previous year. Export demand is reportedly strong as Thailand is now a reliable source of supply, as compared to the relatively cheaper rice from Vietnam and India.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Bangkok [TH1]  
[TH]

<b>PSD Table</b>						
<b>Country</b>	<b>Thailand</b>					
<b>Commodity</b>	<b>Rice, Milled</b>				(1000 HA)(1000 MT)	
	2002 Revised		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
<b>Market Year Begin</b>		01/2003		01/2004		01/2005
Area Harvested	9990	10158	10300	10636	0	10670
Beginning Stocks	2401	2477	2051	2156	901	1156
Milled Production	17124	17198	17800	17700	0	17900
Rough Production	25945	26058	26970	26818	0	27121
MILLING RATE (.9999)	6600	6600	6600	6600	0	6600
TOTAL Imports	0	0	0	0	0	0
Jan-Dec Imports	0	0	0	0	0	0
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	19525	19675	19851	19856	901	19056
TOTAL Exports	7552	7597	8750	8500	0	7800
Jan-Dec Exports	7552	7597	8750	8500	0	7800
TOTAL Dom. Consumption	9922	9922	10200	10200	0	10400
Ending Stocks	2051	2156	901	1156	0	856
TOTAL DISTRIBUTION	19525	19675	19851	19856	0	19056

MY 2003 rice exports are revised upward to match the recent official target of 8.5 million metric tons, up considerably from the previous year's record 7.6 million metric tons, due to the anticipated aggressive demand from buyers who can not secure rice from Vietnam and India, Thailand's major competitors. Trade sources expect that exports should increase significantly in the first half of the year, as the supply situation among the major competitors is so tight that many foreign buyers are shifting to Thailand as a reliable source of supply. Moreover, China is reportedly expected to buy a significant amount of white rice on top of its regular annual demand (mostly for fragrant rice) of around 230,000 – 270,000 metric tons in recent years. Lastly, trade sources anticipate strong demand from South American countries, in particular Brazil, for the second consecutive year. However, they remain cautious about the current price surge to the five-year high of around US\$ 260/ton (100% B grade white rice), FOB. This price spike has been partly caused by China's aggressive demand for white rice starting in February 2004. This sharp increase in price is also due to the temporarily tight exportable supply, as the Thai government suspended its rice stock sales to exporters until May 2004 while an investigation into the corruption in the government intervention program. As a result, some exporters are reportedly taking losses from short positions. However, the overall supply situation of the second crop, now available in the market, is reportedly favorable, despite relatively lower levels of water, as compared to the previous year.